

1999 Alternative Fuel Vehicle Credit Form

Arizona

313

Phone Numbers

If you have questions, please call one of the following help numbers:

Phoenix	(602) 255-3381
Nationwide, toll-free	(800) 352-4090
Form orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
Other Arizona areas, toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
Other Arizona areas, toll-free	(800) 397-0256

You may also visit our web site at:

www.revenue.state.az.us

New Credit Provisions

Beginning with 1999, changes in Arizona law affect the subtraction and credits for alternative fuel vehicles.

Starting with the 1999 taxable year, the subtraction is repealed. Therefore, you may not take a subtraction for alternative fuel vehicles purchased or converted during 1999. You may not take a subtraction for refueling equipment purchased during 1999. However, if you were entitled to a subtraction for refueling equipment or vehicles purchased or converted during 1997 or 1998, you may still take one-third of the subtraction from those years which is allocable to 1999.

Also starting with the 1999 taxable year, the alternative fuel vehicle credits for taxable years prior to 1999 have been repealed, and new credits have been enacted. However, any credit carryovers accrued for taxable years prior to 1999 may still be taken within their five year carryforward period.

Use of This Form

Use this form to do the following.

- Figure your alternative fuel vehicle and refueling equipment subtraction allocable to 1999 from 1997 or 1998.
- Figure your alternative fuel vehicle credit for 1999.
- Figure how much of an alternative fuel vehicle credit carryover you have available from a prior taxable year.

Do not use Form 313 to claim a carryover of an alternative fuel refueling station credit. If you have a carryover from an alternative fuel refueling station credit, use Form 326 to claim that carryover.

What is an Alternative Fuel Vehicle?

An alternative fuel vehicle is a vehicle that is primarily propelled by an alternative fuel. The vehicle must be self-propelled and registered and titled in Arizona for operation

on highways. Alternative fuel vehicles include motor vehicles that qualify for the vehicle license tax rate under section 28-5805 of the Arizona Revised Statutes, bi-fuel vehicles and dedicated vehicles. A neighborhood electric vehicle (NEV) is an alternative fuel vehicle for the purpose of this credit. However, vehicles like golf carts, (even if used as a means of secondary transportation), motorized wheelchairs, or vehicles designed primarily for agricultural purposes are not alternative fuel vehicles for this credit. Alternative fuel vehicles also do not include vehicles like fork-lifts that are not designed primarily for operation on highways.

For a vehicle to qualify for a credit, the vehicle engine must meet one of the following:

1. The vehicle engine is certified to meet at a minimum the United States Environmental Protection Agency low emission vehicle standard under 40 Code of Federal Regulations section 88.104-94, or 88.105-94.
2. The vehicle engine meets the requirements of the addendum to memorandum 1-A, issued by the United States Environmental Protection Agency, as printed in the Federal Register, Volume 62, Number 207, October 27, 1997, pages 55635 through 55637.
3. The vehicle engine is the subject of a waiver for that specific engine application from the United States Environmental Protection Agency's Memorandum 1-A requirements and that waiver is documented to the reasonable satisfaction of the Arizona Department of Commerce, Energy Office.

If you have questions about whether your vehicle meets one of these requirements, contact the manufacturer of your vehicle.

NOTE: *If you are eligible for a credit from more than one source (e.g., direct investment, flow-through from a partnership or S corporation), complete a separate Form 313 for each source. Enter the aggregate amounts from all Forms 313 on Arizona Form 300 or Arizona Form 301.*

What is Alternative Fuel?

Alternative fuel is:

- Liquefied petroleum gas
- Natural gas
- Hydrogen
- Electricity
- Solar energy
- Alcohol fuels that contain not less than 85 percent alcohol by volume. Alcohol fuels are an alternative fuel only for vehicles that used alcohol fuels before August 21, 1998.
- An emulsion of water-phased hydrocarbon fuel that

contains not less than 20 percent water by volume and that complies with any of the following:

1. The fuel is used in an engine that is certified to meet at a minimum the United States Environmental Protection Agency low emission vehicle standard under 40 Code of Federal Regulations Section 88.104-95, or 88.105-94.
 2. The fuel is used in an engine that is certified by the engine modifier to meet the addendum to memorandum 1-A of the United States Environmental Protection Agency.
 3. The fuel is used in an engine that is the subject of a waiver for that specific engine application from the United States Environmental Protection Agency's memorandum 1-A addendum requirements and that waiver is documented to the reasonable satisfaction of the Arizona Department of Commerce, Energy Office.
- A combination of at least 70 percent alternative fuel and not more than 30 percent petroleum based fuel and that operates in an engine that meets the U.S. Environmental Protection Agency low emission vehicle standard under 40 Code of Federal Regulations Section 88.104-94, or 88.105-94 and is certified by the engine manufacturer to consume at least 70 percent alternative fuel during normal vehicle operations.

What Type of Proof Should a Taxpayer Have to Show that a Vehicle is Using Alternative Fuel?

If you claim this tax credit, you must use alternative fuel to operate the vehicle that qualifies you for the credit. You must also be able provide proof that you used alternative fuel to operate that vehicle. The proof must be the purchase of at least 100 gallons of alternative fuel or access to a vehicle refueling apparatus. A vehicle refueling apparatus is either one of the following.

1. A maximum ten to fifteen standard cubic feet per minute natural gas compression appliance used for slow fill, on site refueling.
2. Equipment necessary to provide an electric charge for an electric vehicle.

Line-by-Line Instructions

Enter the names and taxpayer identification numbers (TIN) as shown on Form 140, 140PY, 140NR, 140X, 141(subtraction only), 120, 120A, 120S, 120X, or 165. Fiscal year basis taxpayers must indicate the period covered by the taxable year. Attach the completed form to the tax return.

All returns, statements, and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN is either a correct social security number or, for a business, the federal identification number.

Paid tax preparers must also include their TIN on forms where requested. Taxpayers and paid preparers who fail to include the preparer TIN may be subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly. Missing, incorrect, or unclear identification numbers may cause delays in processing the returns.

Part I - Subtraction Allocable to Taxable Year 1999 From Taxable Years 1997 or 1998

Starting with the 1999 taxable year, the alternative fuel subtraction is repealed. Therefore, you may not take a subtraction for alternative fuel vehicles purchased or converted during 1999. You may not take a subtraction for refueling equipment purchased during 1999. However, if you were entitled to a subtraction for refueling equipment or vehicles purchased or converted during 1997 or 1998, you may still take one-third of the subtraction from those years which is allocable to 1999.

NOTE: Skip lines 1 through 5 if you do not have a subtraction allocable to the 1999 taxable year from taxable years 1997 or 1998.

Only individuals, partnerships, corporations (other than S corporations), estates and trusts may take the subtraction. An S corporation cannot take the subtraction.

Use lines 1 through 5 to determine the portion of the total allowable subtraction for purchases or conversions made in taxable years 1997 or 1998 that is allocable to the 1999 taxable year.

Line 1 -

You may allocate one-third of the allowable 1997 or 1998 subtraction to 1999. Therefore, taxable years 1997 and 1998 are entered in column (a) and column (b).

Line 2 -

In column (a) and column (b), if applicable, enter one-third of the subtraction allowable from prior taxable year 1997 or 1998. For taxable year 1997 this is the sum of the amounts shown on Part I, lines 10, 17, and 20, of the Arizona Form 313 filed with your 1997 Arizona income tax return. For taxable year 1998 this is the sum of the amounts shown on Part I, lines 12, 21, and 24, of the Arizona Form 313 filed with your 1998 Arizona income tax return.

Line 3 -

If you conveyed the title to your qualifying vehicle to another individual, corporation, partnership, estate, or trust, you cannot take the subtraction for that vehicle in any subsequent taxable year.

Enter the unallowable amount on line 3. Attach a schedule to your return that shows your computations and identifies each vehicle for which you computed an unallowable amount. In order to properly identify each vehicle, your schedule must show both of the following.

1. The taxable year in which you purchased or converted your qualifying vehicle.
2. The vehicle number under which you listed the vehicle on the Form 313 for the first taxable year in which you claimed the subtraction for that vehicle.

The following example will illustrate how to compute the unallowable amount.

Example:	
John, an individual taxpayer, purchased two new qualifying alternative fuel vehicles during 1997 at a cost of \$36,000 each, for a total cost of \$72,000. For the 1997 taxable year, John computed a total subtraction of \$18,000 (\$9,000 for each vehicle). Since John could only take one-third of the total \$18,000 subtraction on his 1997 return, John took a subtraction of \$6,000 on his 1997 return.	
During December of 1997, John sold vehicle # 1 to another individual. Since John does not own vehicle #1 any longer, John cannot take the remaining two-thirds of the original \$9,000 subtraction allowed for vehicle #1. John computes the unallowable amount for vehicle #1 as follows:	
Vehicle #1 subtraction	\$ 9,000
Less amount taken for vehicle #1 in 1997	3,000
Total unallowable amount	\$ 6,000
Since John may still take a subtraction for vehicle #2 on his 1998 and 1999 Arizona returns, John must allocate the unallowable amount for vehicle #1 between taxable years 1998 and 1999 as follows.	
Unallowable amount allocable to 1998	\$ 3,000
Unallowable amount allocable to 1999	\$ 3,000
When John completes Form 313, John will enter 6,000 on Part I, line 2. Since \$3,000 of the unallowable amount is allocable to 1999, John will enter \$3,000 on Part I, line 3, column (a) of his Arizona Form 313.	

Line 4 -

In column (a) and column (b), if applicable, subtract line 3 from line 2. Enter the result in the applicable columns on line 4.

Line 5 -

Add the amounts in column (a) and column (b) on line 4. Enter the total in column (c) on line 5.

Individuals also enter this amount of Form 140, page 2, line C23; Form 140PY, page 2, line D35; or Form 140NR page 2, line D27.

Estates or trusts filing an Arizona Form 141, also enter this amount on Form 141, line 11e.

Partnerships filing Arizona Form 165, also enter this amount on Arizona Form 165, page 2, Schedule B, line B4.

Corporations filing Arizona Form 120A, enter this amount on Arizona Form 120A, page 2, Schedule B, line B8. Corporations filing Form 120, also enter this amount on Arizona Form 120, page 2, Schedule B, line B8.

Part II - Credit Computation

For taxable years beginning from and after December 31, 1998, Arizona law allows an alternative fuel vehicle credit for the following.

- For purchasing or leasing a new alternative fuel vehicle during the taxable year for use in Arizona. The lease must be for a period of at least three years in order to qualify for the credit.
- For purchasing a used alternative fuel vehicle during the taxable year for use in Arizona.
- For incurring expenses during the taxable year converting a conventional fuel vehicle to operate as an alternative fuel vehicle for use in Arizona.
- For purchasing a converted vehicle during the taxable year for use in Arizona.

If the allowable credit exceeds the income tax due, you may carry the credit forward to the next five consecutive taxable years as a credit against subsequent years' income tax liability.

Credit for Purchasing or Leasing a New Alternative Fuel Vehicle

If you have questions about whether your vehicle meets the criteria specified on page 1 of these instructions, contact the manufacturer of your vehicle.

Lines 6 through 33 -

Use lines 6 through 33 to figure your credit for purchasing or leasing a new alternative fuel vehicle.

First, determine what kind of alternative fuel vehicle(s) you purchased or leased, then complete the lines on this form for that type of vehicle.

If you have more than four vehicles for any class of alternative fuel vehicle, complete an additional schedule for that class of vehicle. The additional schedule should show the same information that is shown on the form for the first four vehicles in that class.

Lines 6 Through 12 – Purchase or Lease of New Low Emission Vehicles Each Having a Gross Vehicle Weight of 12,000 Pounds or Less

Use lines 6 through 12 to figure your credit if you purchased or leased a new low emission vehicle with a gross vehicle weight of 12,000 pounds or less during the 1999 taxable year.

The credit for purchasing or leasing a new low emission vehicle with a gross vehicle weight of 12,000 pounds or less is 30 percent of the cost of the vehicle, or 30 percent of the vehicle lease, or \$5,000, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 13 through 75. Enter the amount from line 12 on line 76, and skip lines 77 through 91.

Lines 13 Through 19 – Purchase or Lease of New Ultralow or Inherently Low Emission Vehicles

Use lines 13 through 19 to figure your credit if you purchased or leased a new ultralow or inherently low emission vehicle during the 1999 taxable year.

The credit for purchasing or leasing a new ultralow or inherently low emission vehicle is 40 percent of the cost of the vehicle or 40 percent of the vehicle lease, or \$7,500, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 6 through 12, and 20 through 75. Enter the amount from line 19 on line 76, and skip lines 77 through 91.

Lines 20 Through 26 – Purchase or Lease of New Zero Emission Vehicles

Use lines 20 through 26 to figure your credit if you purchased or leased a new zero emission vehicle during the 1999 taxable year.

The credit for purchasing or leasing a new zero emission vehicle is 50 percent of the cost of the vehicle, or 50 percent of the vehicle lease, or \$10,000, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 6 through 19, and 27 through 75. Enter the amount from line 26 on line 76, and skip lines 77 through 91.

Lines 27 Through 33 – Purchase or Lease of a New Low Emission Vehicle With a Gross Vehicle Weight of Over 12,000 Pounds

Use lines 27 through 33 to figure your credit if you purchased or leased a new low emission vehicle with a gross vehicle weight of over 12,000 pounds during the 1999 taxable year.

The credit for purchasing or leasing a new low emission vehicle with a gross vehicle weight of over 12,000 pounds is 30 percent of the cost of the vehicle, or 30 percent of the vehicle lease, or \$30,000, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 6 through 26, and 34 through 75. Enter the amount from line 33 on line 76, and skip lines 77 through 91.

Credit for Purchasing a Used Alternative Fuel Vehicle

Lines 34 through 61 -

Use lines 34 through 61 to figure your credit for purchasing a

used alternative fuel vehicle.

First, determine what kind of alternative fuel vehicle(s) you purchased, then complete the lines on this form for that type of vehicle.

Lines 34 Through 40 – Purchase of Used Low Emission Vehicles Each Having a Gross Vehicle Weight of 12,000 Pounds or Less

Use lines 34 through 40 to figure your credit if you purchased a used low emission vehicle with a gross vehicle weight of 12,000 pounds or less during the 1999 taxable year.

The credit for purchasing a used low emission vehicle with a gross vehicle weight of 12,000 pounds or less is 15 percent of the cost of the vehicle or \$2,500, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 1 through 33, and 41 through 75. Enter the amount from line 40 on line 76, and skip lines 77 through 91.

Lines 41 Through 47 – Purchase of Used Ultralow or Inherently Low Emission Vehicles

Use lines 41 through 47 to figure your credit if you purchased a used ultralow or inherently low emission vehicle during the 1999 taxable year.

The credit for purchasing a used ultralow or inherently low emission vehicle is 20 percent of the cost of the vehicle or \$3,750, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 1 through 40, and 48 through 75. Enter the amount from line 47 on line 76, and skip lines 77 through 91.

Lines 48 Through 54 – Purchase of Used Zero Emission Vehicles

Use lines 48 through 54 to figure your credit if you purchased a used zero emission vehicle during the 1999 taxable year.

The credit for purchasing a used zero emission vehicle is 25 percent of the cost of the vehicle or \$5,000, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 1 through 47, and 55 through 75. Enter the amount from line 54 on line 76, and skip lines 77 through 91.

Lines 55 Through 61 – Purchase of a Used Low Emission Vehicle With a Gross Vehicle Weight of Over 12,000 pounds

Use lines 55 through 61 to figure your credit if you purchased a used low emission vehicle with a gross vehicle weight of over 12,000 pounds during the 1999 taxable year.

The credit for purchasing a used low emission vehicle with a gross vehicle weight of over 12,000 pounds is 15 percent of the cost of the vehicle or \$15,000, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 1 through 54, and 62 through 75. Enter the amount from line 61 on line 76, and skip lines 77 through 91.

Credit for Converting a Conventional Vehicle (With a Gross Vehicle Weight of 12,000 Pounds or Less) to Run on Alternative Fuel

Lines 62 through 68 -

Use lines 62 through 68 to figure your credit for converting a conventional vehicle (with a gross vehicle weight of 12,000 pounds or less) to run on alternative fuel.

The credit for converting a conventional vehicle (with a gross vehicle weight of 12,000 pounds or less) to run on alternative fuel is 30 percent of the cost of the vehicle or \$5,000, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 1 through 61, and 69 through 75. Enter the amount from line 68 on line 76, and skip lines 77 through 91.

Credit for Purchasing a Converted Vehicle With a Gross Vehicle Weight of 12,000 Pounds or Less

Lines 69 through 75 -

Use lines 69 through 75 to figure your credit for purchasing a conventional vehicle (with a gross vehicle weight of 12,000 pounds or less) that has been converted to run on alternative fuel.

The credit for purchasing a converted vehicle (with a gross vehicle weight of 12,000 pounds or less) is 15 percent of the cost of the vehicle or \$2,500, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 1 through 68. Enter the amount from line 75 on line 76, and skip lines 77 through 91.

Line 76 - Total Part II Credit

Add the amounts in Part II, lines 12, 19, 26, 33, 40, 47, 54, 61, 68, and 75. Enter the total.

Part III - Credit Computation

Lines 77 Through 90 -

Use lines 77 through 90 to figure your credit if you did either of the following.

- Converted conventional vehicles with a gross vehicle weight of over 12,000 pounds to run on alternative fuel.

- Purchased a converted vehicle with a gross vehicle weight of over 12,000 pounds.

NOTE: *The credit for these types of vehicles must be taken over a period of at least 3 consecutive taxable years, but no more than 5 consecutive taxable years. There is no carryforward for this credit.*

Credit for Conversions of Conventional Vehicles (With a Gross Vehicle Weight of Over 12,000 Pounds) to Run on Alternative Fuel

Lines 77 through 83 -

Use lines 77 through 83 to figure your credit for converting a conventional vehicle (with a gross vehicle weight of over 12,000 pounds) to run on alternative fuel.

The credit for converting a conventional vehicle (with a gross vehicle weight of over 12,000 pounds) to run on alternative fuel is 30 percent of the cost of the vehicle or \$30,000, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 1 through 76. Enter the amount from line 83 on line 91, and skip lines 84 through 90.

Credit for Purchasing a Converted Vehicle With a Gross Vehicle Weight of Over 12,000 Pounds

Lines 84 through 90 -

Use lines 84 through 90 to figure your credit for purchasing a converted vehicle with a gross vehicle weight of over 12,000 pounds.

The credit for purchasing a converted vehicle with a gross vehicle weight of over 12,000 pounds is 15 percent of the cost of the vehicle or \$15,000, whichever is more.

If this is the only type of alternative fuel vehicle that you purchased, leased or converted during the 1999 taxable year, skip lines 1 through 83. Enter the amount from line 90 on line 91.

Line 91 - Total Part III Credit

Add the amounts on Part III, lines 83 and 90. Enter the total.

Part IV - Lines 92 through 96 – S Corporations Only

Line 92 - S Corporation Election

All S corporations must complete line 92. The S corporation must make an irrevocable election to either claim the credit or pass the credit through to its shareholders. One of the officers of the S corporation who is also a signatory to the Arizona Form 120S must sign this election.

Lines 93 through 96 -

If the S corporation elects to pass the credit through to its shareholders, it must also complete lines 93 through 96.

An S corporation must complete the Form 313 through line 92. Then, complete lines 93 through 96 separately for each shareholder. Each shareholder may claim only a pro rata share of the credit based on the shareholder's ownership interest in the S corporation. The S corporation must furnish each shareholder with a copy of the completed Form 313.

Each shareholder must complete lines 101 through 116.

Part V - Lines 97 through 100 - Partnerships Only

A partnership must complete the Form 313 through line 91. Then, complete lines 97 through 100 separately for each partner. Each partner may claim only a pro rata share of the credit based on the partner's ownership interest in the partnership. The partnership must furnish each partner with a copy of the completed Form 313.

Each partner must complete lines 101 through 116.

Part VI - Current Year Part III Credit – All Taxpayers Claiming the Part III Credit Must Complete Lines 101 through 106

Lines 101 through 106 – Current Year Part III Credit

Use Part VI to figure how much of the Part III credit you are going to use for the 1999 taxable year. You must complete lines 101 through 106 if there is any amount entered on Part III, lines 77 through 91. The credit for the types of vehicles listed in Part III must be taken over a period of at least three years, but no more than five years. There is no carryforward for the credit for these types of vehicles.

Enter the original taxable year(s) from which you were entitled to this credit in column (a) on lines 101 through 105. In column (b), enter the credit originally computed for that taxable year. In column (c), enter the amount of the credit from that taxable year which you have already used. In column (d), subtract the amount in column (c) from the amount in column (b) and enter the difference in column (d). In column (e) enter the amount from column (d) that you are going to use for the 1999 taxable year. Add the amounts entered on lines 101 through 105 in column (d). Enter the total on line 106, column (e).

Part VII - Credit Carryover, Lines 107 through 112 - All Taxpayers Claiming the Credit

Lines 107 through 112 - Available Credit Carryover

Use Part VII to figure your total available credit carryover. Complete lines 107 through 112 if you claimed an alternative fuel vehicle credit on a prior year return and the credit was more than your tax.

Enter the taxable year(s) from which you are carrying over the credit in column (a) on lines 107 through 111. In column (b), enter the credit originally computed for that taxable year. In column (c), enter the amount of the credit from that taxable year which you have already used. Subtract the amount in column (c) from the amount in column (b) and enter the difference in column (d). Add the amounts entered on lines 107 through 111 in column (d). Enter the total on line 112, column (d).

Part VIII - Lines 113 through 116 - Total Available Credit

Line 113 – Current Year's Part II Credit

Individuals and corporations (including S corporations that elected to claim the credit), enter the amount from line 76. S corporation shareholders, enter the amount from line 95. Partners of a partnership, enter the amount from line 99.

NOTE For Individual Taxpayers Only: *If you are married, and you and your spouse file a separate return, you may each take only one-half of the total credit that would otherwise be allowed on a joint return.*

Line 114 – Current Year's Part III Credit

All taxpayers, enter the amount from Part VI, line 106, column (e).

Line 115 – Carryover

Enter the amount from Part VII, line 112, column (d).

Line 116 – Total Available Credit

Add lines 113, 114, and 115. Enter the total.

Individuals, also enter the total available credit on Arizona Form 301, Part I, line 9.

Corporations (including S corporations that elected to take the credit), also enter the total available credit on Arizona Form 300, Part I, line 9.